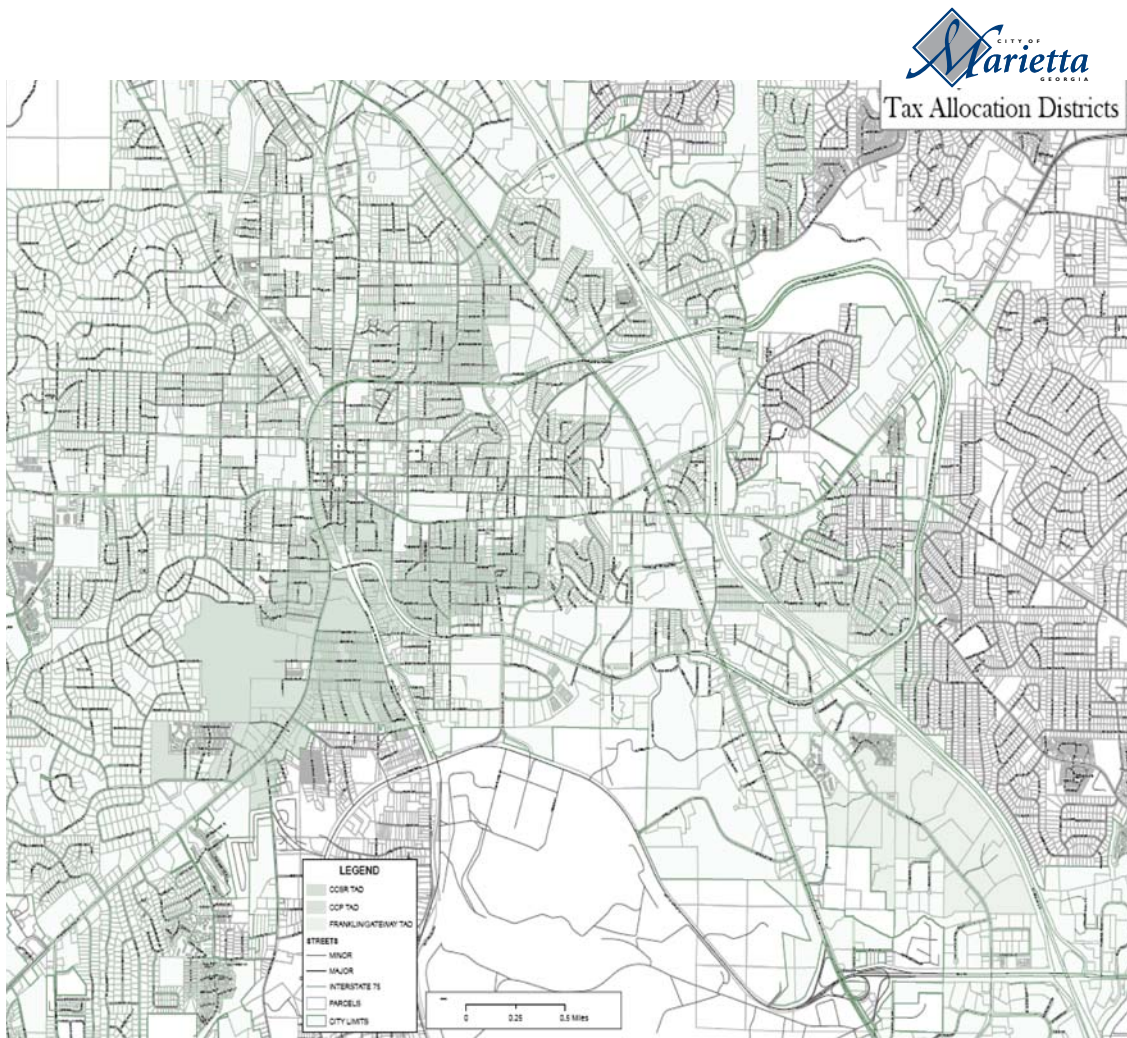




Marietta Redevelopment Corporation

FISCAL YEAR 2006 ANNUAL REPORT



Year Ending: June 30, 2006

Mission Statement

The principal mission of the Marietta Redevelopment Corporation is to strengthen the economic and residential base of the City by revitalizing neighborhoods, commercial areas and other distressed properties. The role of the MRC is to make strategic real estate investments in blighted areas, assemble properties for redevelopment where needed, and partner with the private sector to invest in our community.



Marietta Redevelopment Corporation

205 Lawrence Street
P. O. Box 609
Marietta, GA 30061-0609

FROM THE CHAIRMAN

June 22, 2006

The Honorable Mayor and City Council
City of Marietta
205 Lawrence Street
Marietta, GA 30060

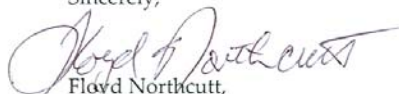
Dear Mayor and Council:

On behalf of the Directors and staff, I am pleased to provide this second Annual Report of the Marietta Redevelopment Corporation for the Fiscal Year ending June 30, 2006. This report describes the MRC's accomplishments over the past year and provides a broader status report on the City's overall revitalization efforts since the incorporation of the MRC in early 2003. This report is intended to satisfy the annual reporting requirements in the MRC Bylaws, as well as our obligation to report on redevelopment within Marietta's tax allocation districts to Cobb County and the Marietta Board of Education.

As the following report will show, Marietta has made continued progress over the past 12 months toward accomplishing the ambitious redevelopment goals that have been established by the Mayor and City Council. That progress has included the successful sale of the Johnny Walker Homes, Clay Homes and Manget properties to the private sector, issuance of the City's first TAD bond, establishment of the City Center Perimeter TAD, creation of the Marietta Fund for Neighborhood and Community Revitalization and the commitment of roughly 1,100 owner occupied housing units and 200,000 SF of commercial space to revitalize blighted neighborhoods.

The MRC is pleased to report this progress to elected and appointed City, School and County officials, members of the local development community and all local citizens who are interested in Marietta's revitalization. Under your leadership and with the support and contribution of numerous local organizations, we are collectively laying the groundwork for an exciting future in this community. The MRC is proud to be part of that effort and looks forward to expanding our service to the City in the future.

Sincerely,



Floyd Northcutt,
Chairman

Enc.

Telephone: 770-794-5529 • www.mariettaga.gov • Fax: 770-794-5655

Introduction

The Marietta Redevelopment Corporation (MRC) is a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The MRC was incorporated in 2003 and serves at the pleasure of the Marietta City Council, who appoints the Officers and Directors of the Corporation. All responsibilities, functions and powers of the Corporation have been delegated to it by the City Council for the benefit of the community and its residents.

The purposes of the MRC are to strengthen the economic and residential base of the City of Marietta by revitalizing neighborhoods, commercial areas and other distressed properties. The MRC's primary roles are to advise the City Council on redevelopment matters, to facilitate efforts by the private sector to invest in the community, to make strategic real estate investments in blighted areas, assemble properties for redevelopment where needed and "to exercise all redevelopment and other powers under Article IX, Section II, Paragraph VII of the Constitution and Chapter 44 of Title 36 of the O.C.G.A., (the Redevelopment Powers Law), as amended."

Included among these redevelopment powers under Georgia Law is the responsibility to act on the City's behalf to implement redevelopment plans and administer tax allocation districts (TADs) that have been formed to encourage revitalization within blighted areas. The City has already created three such districts, which have been identified as the "Center City South Renaissance" (CCSR), "Center City Perimeter" and "Franklin-Gateway" TADs. The City, Marietta Board of Education and the County have either already consented or will decide in the future to pledge their respective shares of new tax revenues, or tax increment, within these respective TADs. As part of the intergovernmental agreements (IGAs) among the taxing jurisdictions, the City is obligated to provide an annual report of revenues, expenditures, fund encumbrances and overall progress made toward implementing these respective redevelopment plans.

This document is the Annual Report of the Marietta Redevelopment Corporation for the Fiscal Year Ending June 30, 2006. This report is intended to comply with the reporting requirements of the Corporation's Bylaws, as well as the City's obligations under IGAs with Cobb County and the Marietta Board of Education. The report is organized into the following three sections: (1) a review of the MRC's overall goals, mission and structure, (2) a list of the Corporation's (and the City's) redevelopment activities and accomplishments over the past 12 months and (3) financial statements pertaining to the Corporation and to City expenditures and revenues for the respective TAD special funds.

Corporate Structure

The Marietta Redevelopment Corporation was authorized by vote of the City Council and officially incorporated in February of 2003. The Corporation subsequently applied for Federal tax-exempt status and was officially recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code in December, 2004. The initial Board of Directors was formed during the Summer of 2003 and an Executive Director was hired in October of that year. A Redevelopment Project Manager was later added to the staff in 2004.

After several bylaw changes by the City Council, the MRC is now governed by a 14 member Board of Directors consisting of 12 voting Directors and 2 non-voting members. Mayor William B. Dunaway and Samuel S. Olens, Chairman of the Cobb County Commission, serve as non-voting. In June of 2006, the City Council amended the MRC Bylaws to add the Chairman of the City Council Economic/Community Development Committee as a voting member. The remaining voting Directors are appointed for two-year terms and the Chairman and Vice Chairman are appointed annually by the City Council. As of June, 2006 the Board of Directors consisted of the following members:

<u>Voting Directors</u>	<u>Term Expires</u>
*Floyd Northcutt, Chairman	4/10/2007
*Micky Blackwell, Vice Chairman	4/10/2007
**Terry Lee, Treasurer	4/10/2008
***Griffin Chalfant	No exp.
****Tom Alan Smith	4/10/2007
Ray Buday	4/10/2008
Marcelle David	4/10/2008
Ron Francis	4/10/2008
William W. Hamilton, Sr.	4/10/2007
Clint Mays	4/10/2008
Scott Condra	4/10/2007
John Schupp	4/10/2007
<u>Nonvoting Directors</u>	
William B. Dunaway	No exp.
Samuel S. Olens	No exp.

- * Officers appointed by the City Council
- ** The Treasurer is elected by the Board of Directors
- *** Chairman of the Marietta City Council Economic/Community Development Committee
- **** Member of the Marietta Board of Education.

Marietta's City Manager and Director of Development Services, the County Manager and the Superintendent of the Marietta City Schools also serve as non-voting, Ex-Officio members of the Corporation. The MRC Bylaws thus provide representation to elected officials and staff of all three taxing jurisdictions that contribute increment to the City's tax allocation districts. MRC meetings conform to and are governed by the Georgia Open Meetings Act.

Goals and Mission

The MRC was created to serve as a tool to assist the City Council in implementing its redevelopment vision for the community. Progress made through MRC actions, as well as changing community needs, continue to influence the City's vision and adjust the resulting goals and priorities of the MRC.

The vision statement that guided the goals of the MRC through FY 2006 describes a livable city with a vibrant economy, cultural arts and tourism, housing diversity and continual progress through community partnerships. In January 2006, the City Council updated the City vision statement, known as "The City We Want To Be", which is described in the following statements. Over the next four years, the MRC will use the goals developed along with this vision to create strategic plans and partnerships for future redevelopment activities.



The Vision for the City of Marietta

2006 Version

Marietta is a livable city in a great metropolitan area. It is dedicated to being a clean city, with trees, green spaces and boulevards.

We are a dynamic business center that has retail, offices and environmentally friendly industry in appropriate places. We honor our past, preserve our history and welcome the future.

We are a city that cherishes culture and arts, and we are a tourist destination and an entertainment center for the region.

Ours is a city of mixed-uses (live, learn, work, play) and diverse urban design that will become known as "the Marietta Look." Our city has a well-defined, vibrant downtown, and neighborhoods that mix residences, parks and greenspaces, and businesses.

Marietta offers housing for people of all ages, incomes, and ethnic backgrounds, so that generations of families can live within our City. We recognize the importance of homeownership, and our vision is that a majority of our residences will be owner-occupied.

Marietta is a hub of activity, where traffic, transit, and pedestrians move about easily and safely. In designing our transportation system, we placed a high premium on the quality of life of our citizens.

Marietta is a place where citizens are positively involved in decision-making, through boards, community organizations, and community meetings. The City will actively seek partnerships with other governments, businesses, philanthropic institutions, non-profit organizations, and educational institutions in building a high quality of life.

Marietta is a place where the City Council is committed to ethical behavior.

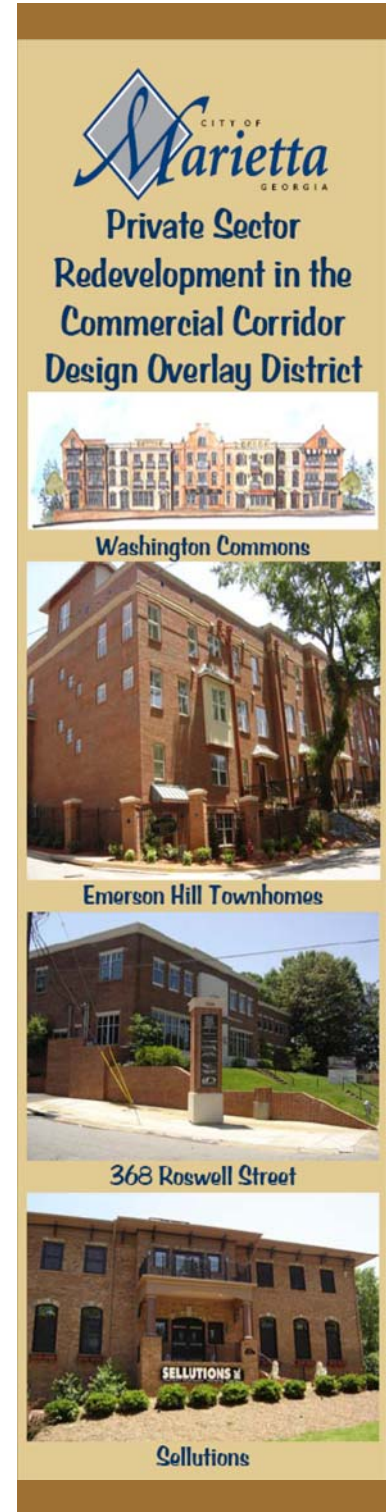
To support this vision statement, the City Council also set specific housing and redevelopment goals and objectives for the upcoming four years. These goals are ambitious and several will require specific action on the part of the MRC.

"Marietta offers housing for people of all ages, incomes, and ethnic backgrounds, so that generations of families can live within our City. We recognize the importance of homeownership and our vision is that a majority of our residences will be owner-occupied."

Goals:

- ❑ *Attain owner occupancy in more than 50% of our homes by 2009.*
- ❑ *Support and secure funding for the Marietta Redevelopment Corporation to power the regeneration of the community. A portion of the newly created or renovated housing units will be reserved for low to moderate-income families.*
- ❑ *Have "Johnny Walker Homes" under construction in 2006.*
- ❑ *Convert portions of developed multi-family housing properties located on Franklin Road to new development.*
- ❑ *Continue to encourage more diverse housing units in the downtown area and encourage quality single-family detached housing throughout the city.*
- ❑ *Build 250 affordable first-time homebuyer units by 2010.*
- ❑ *Continue to educate residents and homebuyers to strengthen their ability to buy, retain and maintain their homes.*
- ❑ *Work with the Marietta Housing Authority, Cobb Housing Inc. and other agencies to redevelop and revitalize the Franklin Road, Roswell Street, Allgood and Powder Springs Road corridors as well as other areas of our city.*
- ❑ *Ensure safe housing for all residents.*
- ❑ *Provide a Public Safety employee home ownership program in target areas by 2007.*
- ❑ *Rehab or replace 10% of city rental housing by 2010 – 1600 units.*

As the City's implementation agency for redevelopment, the MRC pursues a number of near-term and long range goals. Goals pursued and implemented by the MRC in 2006 were designed to achieve the vision of a community that embraces economic vitality, quality urban design, mixed-use live-work-play environments, community involvement and suitable housing choices for all age, ethnic and income groups. Fiscal year 2006 goals, related actions and resulting benefits are highlighted in the following pages.



GOAL 1: Successfully implement ongoing redevelopment projects and initiate new projects within the City's established Tax Allocation Districts

Redevelopment of Manget Street Groundbreaking Ceremony



Successful completion of the Johnny Walker, Clay Homes, Manget Street, Wynhaven and several other smaller redevelopment projects that have been permitted within and near the City Center, are now projected to add roughly \$350 million in residential investment and up to \$40 million in commercial investment over the next several years. To secure this additional tax base, it will be necessary for the City to monitor progress and support redevelopment projects through citywide marketing and strategic neighborhood improvements. Monitoring and support will help to ensure developer compliance with executed agreements, maintain tax increment financing as viable tools for redevelopment within Marietta and extend the benefits of redevelopment projects into surrounding neighborhoods.

Potential future redevelopment projects are also being evaluated and explored within tax allocation districts including Franklin Road, but have not yet been formally proposed. These projects could potentially generate an additional \$300 million to \$750 million in new property tax base over the next decade or more, but may also need future contributions of public funds ranging from \$20 to \$50 million dollars. Public investments of this magnitude will require continued cooperation among the City, County and School District, including the execution of intergovernmental agreements to implement future projects within the Franklin/Gateway TAD.

Securing funds for future public investments will require negotiating workable development agreements, building close working partnerships with participating developers, and regularly monitoring and enforcing development agreements. As redevelopment projects proceed through permitting and eventual construction, the MRC will play an important role in working with developers and affected neighborhoods to resolve construction-related issues and maximize positive neighborhood economic development benefits associated with these projects.

Progress

In fiscal year 2006 the City and MRC made substantial progress toward implementing the Johnny Walker Homes and Manget Street redevelopment projects, while the Marietta Housing Authority (MHA) followed a similar timeline in securing a developer for the Clay Homes site. The City and Marietta Housing Authority completed developer selection, negotiated development agreements and completed sales contracts on all three sites during FY 2006. The City Council has also approved site plans for all three developments. Construction has already commenced on the

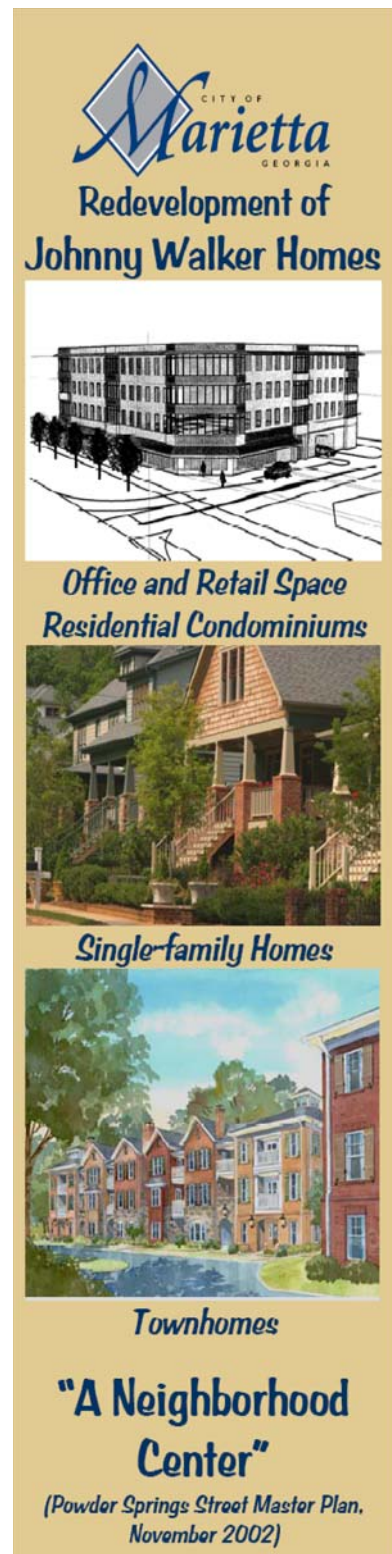
project and the others will start during the Summer of 2006.

The MRC assisted the City in securing tax increment financing (TIF) to complete the disposition of the Manget Street property and support other redevelopment projects within the CCSR TAD. Bond funds will be used to (a) reimburse the City for its costs (in excess of land sale proceeds) to assemble the Manget and Johnny Walker Homes redevelopment sites; (b) provide TAD contributions to the developers of the Village at Frasier Park and Marietta Mill Lofts projects and (c) fund needed public investments in street, sidewalk- and park improvements in surrounding neighborhoods.

The City successfully secured \$8.4 million in private placement bond financing through BB&T in November of 2005. The favorable interest rate (4.2%) and short duration of these bonds (15 years) will save hundreds of thousands of dollars in interest costs over the life of the bonds. These savings will accelerate the return of future tax allocation increments back to the City, County and School District general funds.

In order for TIF to be successful as a redevelopment tool in Marietta, it was essential for the City to secure intergovernmental agreements (IGAs) with the County and School District, which were acceptable to the lending institution that issued the TAD Bonds. During FY 2006, both the County and School District cooperated in negotiating fair IGAs for both the CCSR and Center City Perimeter TADs. These agreements establish workable procedures for calculating, collecting and distributing future tax allocation increments to/from the TAD special funds, returning excess funds back to the taxing jurisdictions, reimbursing administrative costs, fund reporting and oversight, and related legal issues. These IGAs are likely to become a model for future redevelopment within the Franklin/Gateway TAD and perhaps other redevelopment areas in Marietta and elsewhere in Cobb County.

The MRC staff's role in administering the TADs involves working with other responsible City and County Departments to oversee the collection and expenditure of "positive tax allocation increments" that will be deposited into special funds which have been established for each District. Existing and future revenues to be deposited into these TAD special funds will be used to pay debt service on tax allocation bonds and/or fund other eligible redevelopment costs. Procedures are now in place with the City Finance Department and Cobb County Board of Assessors to annually verify real and personal property accounts within the City's TADs, accurately calculate annual tax allocation increments, monitor deposits into the TAD special funds and authorize disbursements for bond repayment and other eligible redevelopment expenses.



The MRC has also established ongoing contacts with a growing list of property owners, developer/investors, real estate brokers, lending institutions and other redevelopment agencies in order to generate interest in redevelopment opportunities within the City of Marietta. Staff is providing active support to several property owners and developers who are currently exploring investment opportunities, both within and outside of established tax allocation districts. Particular emphasis is being placed on generating developer interest in the Franklin/Gateway TAD. One or more of those ongoing efforts will hopefully produce specific project proposals in FY 2007.

Finally, in direct response to the City Council's goal to *"Support and secure funding for the Marietta Redevelopment Corporation to power the regeneration of the community"* the MRC acted in early 2006 to propose creation of the Marietta Fund for Neighborhood and Community Revitalization (the Fund). This Fund will be initially capitalized with a \$2.1 million equity contribution from City Reserves and will be used by the MRC to secure sites for future redevelopment. The goal of the Fund is to continually recycle MRC investments in the assembly, stabilization, planning and eventual disposition of redevelopment sites to the private sector, in a manner that is fully consistent with the City Council's redevelopment goals. The City Council approved a development and management agreement with the MRC in June of 2006 and will capitalize the Fund pending its approval of the MRC's "work plan" for investing Fund assets during FY2007.



Above: Mayor Bill Dunaway, Chairman Floyd Northcutt and Vice Chairman Micky Blackwell sign the Development and Management Agreement for the Fund at the 2006 MRC Annual Meeting.

Priority Actions

Priority actions for the coming fiscal year include the following:

1. Finalize the first year work plan for use of the Fund, leverage bank financing as needed and begin acquisition activity during FY 2007.
2. Work with developers to identify additional redevelopment projects that could be undertaken within established TADs, such as the Hedges project area, Franklin Road corridor, North Marietta Parkway, Allgood Road and similar areas.
3. Monitor redevelopment projects to ensure compliance with executed development agreements, sales contracts and project stipulations. Coordinate distribution of TAD bond funds to developers on an as completed basis.
4. Act as a community liaison between developers and the neighborhoods surrounding the JWH, Manget Street, Clay Homes and Franklin/Gateway Redevelopment Projects.
5. Support design/implementation of neighborhood improvement programs for neighborhoods surrounding the Johnny Walker, Clay Homes and Manget Street redevelopment areas.

GOAL 2: Establish additional and/or expanded tax allocation districts and pursue alternative strategies as needed to implement future redevelopment projects throughout the City

Entering FY 2006, the MRC recognized that further expanding and/or creating additional TADs would be necessary in order to stimulate private investment within other targeted redevelopment areas of Marietta. These TADs could become larger and more complex, as priority redevelopment sites are privately owned, have higher underlying density and land values and present more complex land assembly challenges.

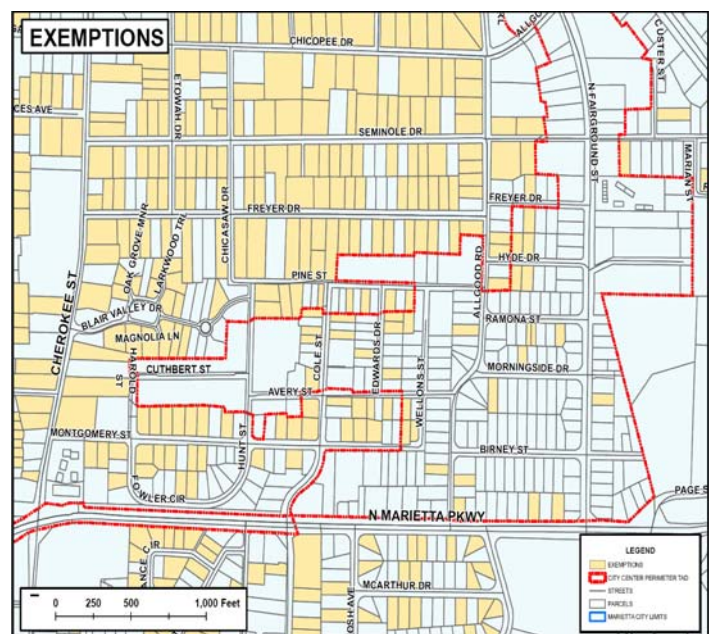
In addition, there are a number of distressed neighborhoods within the City where large-scale redevelopment is either inappropriate or unfeasible. There is a need to develop and test alternative neighborhood stabilization and reinvestment strategies that can be successfully replicated throughout the City.

Finally, there is a real possibility that pending improvements to the I-75 Corridor, including the introduction of bus rapid transit (BRT), could create significant redevelopment opportunities around proposed BRT stations, but also require substantial takings of commercial property located along the interstate corridor. The City has monitored planning for these improvements and hopes to advance alternatives that minimize negative fiscal and economic impacts on the City, while maximizing potential redevelopment opportunities.

Progress

In response to requests from two developers who were considering projects located outside of the existing CCSR TAD, the MRC was asked by the City Council in early FY2006 to prepare a redevelopment plan and evaluate creation of a third tax allocation district. The MRC also considered applications for TAD financing for the proposed redevelopment of the Wynhaven Apartment complex and the Atlanta Northern Traction Company office development.

The Center City Perimeter TAD was established as an outcome of that process. The TAD covers the Wynhaven site and commercial properties to the south located along Powder Spring St., portions of Polk St. including the Atlanta Northern development, and a large area located on the north side of the North Marietta Parkway, bordering North Fairground Street. This neighborhood includes the MHAs Lyman Homes housing project and the neighborhood surrounding Allgood Road.



Above: Map of the Allgood Road Neighborhood This area is included in the Center City Perimeter TAD to encourage redevelopment of declining rental housing.



CITY OF Marietta
Village at Frasier Park
Deerfield Development, LLC

*Duplex conversion
to fee-simple townhomes*

*2-story units up to 4 bedrooms
and 2,200 SF*

*Driveways with oversized parking
pads in rear for off street parking*

The Center City Perimeter Redevelopment Plan was adopted by the City Council in October of 2005. Pledges of tax increment and supporting inter-governmental agreements were later approved by the Marietta Board of Education and Cobb County Commission. In total, all but one of the 19 elected City, County and School officials voting on the issue, endorsed creation of the TAD and the supporting IGAs.

The City Council later granted site plan approval to the Pacific Group to demolish the 296-unit Wynhaven Apartment complex and replace it with a 235-unit townhome development valued at nearly \$78 million. The City has also granted the developer of the Atlanta Northern project, approvals to purchase necessary right-of-way and utility easements for that project to proceed. That developer is now working to secure other needed permits and agreements from CSX and GDOT.

The MRC has recommended allocations of approximately \$5.7 million in TAD financing for the redevelopment of the Wynhaven Apartments and an additional \$600,000 for the Atlanta Northern project. In January of 2006, the City secured an initial commitment from Wachovia Bank to finance a \$7.6 million TAD bond for these projects. Draft development agreements have been negotiated for each project and are awaiting City Council approval.

However, an abutter to the Wynhaven complex has since filed a lawsuit challenging the City's site plan approvals for that project. This legal action has effectively stalled the redevelopment and prevented the City from issuing bonds. The suit has not been settled as of the date of this annual report.

If the current legal issues are resolved and the developer decides to proceed, the MRC will reevaluate the TAD request and once again attempt to obtain financing. In light of recent increases in market interest rates, financing terms are likely to be less advantageous to the City than those offered in January. Increased financing costs will make it more difficult to deliver the needed TAD contribution and effectively reduce future revenues to the taxing jurisdictions. In the worst case, higher financing costs could threaten the project's feasibility and result in the loss of this major redevelopment opportunity.

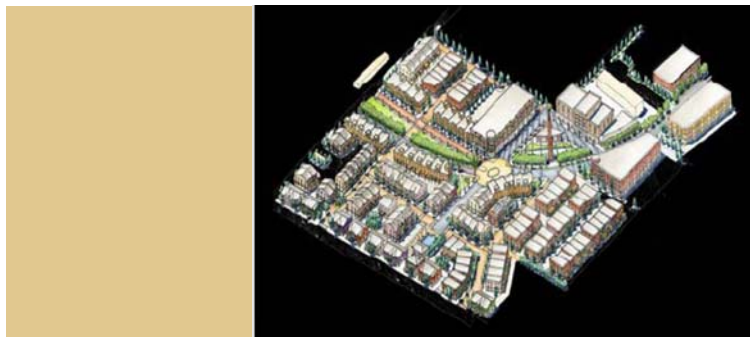
Over the past two years, the City's Planning Department and Office of Economic Development have analyzed potential improvements to the Allgood Road neighborhood and worked to support the Allgood Road task Force. Expansion of the Center City Perimeter TAD into this neighborhood offers a major incentive to developers and has helped to generate interest in the area over the past few months. The MRC will continue to work with the MHA, prospective developers and rental property owners in an effort to attract

desired investment to the neighborhood and complement the redevelopment of Lyman Homes.

Priority Actions

Priority actions for the coming fiscal year include the following:

1. Work with prospective developers to identify and nurture prospective redevelopment projects, including projects within TADs and investments that may not require tax increment financing.
2. In anticipation of pending SPLOST projects, work in coordination with the Departments of Development Services and Public Works, to develop future corridor revitalization strategies for the Fairground St., Roswell St., Powder Springs St. and Route 120 South Loop corridors.
3. Develop alternative strategies to stimulate neighborhood reinvestment on a smaller-scale, where major redevelopment projects may be inappropriate or unfeasible. Provide assistance to property owners who may be interested in assembling and jointly marketing parcels with redevelopment potential.
4. Develop and propose to the City Council a property disposition strategy for selected City-owned parcels that have either been previously acquired for redevelopment purposes or have reuse potential.
5. Continue to monitor the ongoing Environmental Impact and BRT Station Area Planning Studies for the I-75 HOV/BRT Expansion Project. Work toward achieving station locations and construction alternatives that maximize positive redevelopment opportunities and minimize negative impacts on the City.



GOAL 3: Develop internal market research and information necessary to enable the MRC and City to make sound real estate investment decisions and to ensure the marketing success of ongoing redevelopment efforts.

The Marietta Redevelopment Corporation is charged with a broad mandate and is empowered through its corporate bylaws to engage in a wide variety of activities. Creation of the Marietta Fund will facilitate the MRC's ability to carry out its mission and generate additional sources of investment capital and operating funds. In an uncertain and competitive real estate market, it will be critical for the MRC to routinely conduct, update and apply market research to monitor local market conditions and perform necessary due diligence to evaluate future investments.

As a result of the City's successful redevelopment efforts to date, developers face the challenge of building and selling nearly 1,100 housing units within redevelopment areas over the next four to five years. Rather than simply assuming that these projects will succeed, the MRC will participate in developing a coordinated marketing strategy and campaign to collectively generate buyer interest in Marietta and promote market acceptance of ongoing redevelopment projects. While it is important to encourage additional redevelopment in other needed locations, broader scale revitalization will only occur if buyers are attracted to the City in substantially greater numbers than have occurred in the past.

Progress

MRC staff have invested considerable time in developing sources of residential and commercial market data in order to better monitor local real estate market conditions and trends. This information will be used to guide the MRC in its business planning efforts, monitor the effectiveness of redevelopment strategies and assist developers in planning successful projects.

These data sources include property tax assessment records, Marietta BLW electrical meter accounts, City building permit records and several private data services. Staff will continue to expand the MRC's market research capabilities over the next year by monitoring residential supply and construction trends, rental market vacancy rates, lease rates, transaction volumes, pricing/sales trends, affordable housing needs and unsold housing inventories.

Funds were also set aside in FY2006 to develop a formalized, city-wide redevelopment marketing campaign. The City will select a consultant for this effort and begin the plan in July of 2006. The goal of the campaign is to "leverage" the marketing budgets of individual redevelopment projects by promoting the City as a desirable place to live, encouraging developers to adopt consistent marketing themes, focus on targeted audiences, etc.

Priority Actions

Priority actions for the coming fiscal year include the following:

1. Implement recommendations resulting from the upcoming redevelopment marketing plan and encourage developers to participate in the program.
2. Continue efforts by the MRC Board to develop a comprehensive business plan that addresses investment priorities, initial capitalization, annual operations and ongoing management.
3. Routinely conduct, update, report and apply market research as necessary to monitor local real estate market conditions and perform necessary due diligence to support future business investments by the MRC and/or developers in redevelopment areas.

GOAL 4: Educate the public concerning the need for and benefits from public investment to promote successful redevelopment.

Issues regarding redevelopment needs, neighborhood impacts, and tax increment financing are complex and difficult for the public and media to understand. The MRC has made efforts to effectively communicate the need for and resulting benefits from successful redevelopment programs and to share examples of successful redevelopment projects in the Atlanta region. These efforts need to continue and include more detailed financial analysis to explain the purpose and nature of tax increment financing (TIF) and the positive fiscal impact of TIF on City and School budgets.

Progress

In FY 2006, the MRC continued publication of a periodic redevelopment e-newsletter and enhanced its web page. Directors and staff also delivered presentations to several local organizations, neighborhood associations and business groups. These types of efforts will continue and expand over the coming year.

Priority Actions

Priority actions for the coming fiscal year include the following:

1. Improve external communications and expand efforts to educate the public on ongoing redevelopment projects, project benefits, neighborhood impacts and related issues.
2. Continue to enhance the MRC web site and city e-newsletter that is dedicated exclusively to redevelopment issues, publish an annual report, cultivate relationships with regional media and continue making public presentations to local organizations.
3. Facilitate the ability of prospective developers and the public to download mapping, reports and market information directly from the MRC web page.

Sources and Uses of Tax Allocation Increments

The City and County have entered into an intergovernmental agreement (IGA) for the purpose of monitoring the collection and disbursement of future revenues and expenditures that will be generated from redevelopment within the City's TAD's. Included within the terms and conditions of the IGA is the requirement that the City prepare a "comprehensive annual report regarding the amount of positive Tax Allocation Increments and the use of such funds, and...a copy of the annual audit of, as applicable, the Redevelopment Agency for the TAD or the City."¹ The following sections document the boundaries and properties located within the tax allocation districts, redevelopment expenses incurred to date, revenues collected and anticipated future revenues from redevelopment proceeds.

TAD Boundaries

The Center City South Renaissance, Center City Perimeter and Franklin/Gateway TADs together included 1,658 real property tax parcels and almost 1,100 acres of land when originally certified. Since that time, redevelopment activity has created another 38 tax parcels within the respective districts. Table 1 summarizes the characteristics of each TAD in terms of total parcels, acreage, assessed and full (market) values. As shown, the certified base assessed (40%) values of the combined TADs totals just under \$152.5 million, based on an estimated market value of about \$381.2 million at the time of certification. Boundary maps of the districts are provided in Appendix 1.

Center City South Renaissance (CCSR TAD): The Center City South Renaissance Tax Allocation District is Marietta's first TAD created in 2003 and expanded in 2004. The 486-acre TAD was established to support redevelopment of the Johnny Walker and Clay Homes public housing and Frasier Street Apartments. These three publicly initiated projects have acted as a catalyst for redevelopment in their surrounding neighborhoods as forecast in the Redevelopment Plan.

Franklin Gateway TAD: Established in 2004, the Franklin/Gateway Tax Allocation District is Marietta's second TAD. The 324-acre TAD was created to support future revitalization of the Franklin Road Corridor and development of underutilized or vacant land at the northwest quadrant of I-75 and Route 120. Redevelopment of property on Franklin Road may be supported by transportation improvements planned for the Northwest Corridor (I-75/I-575) that include a Bus Rapid Transit Station and a transit oriented, mixed-use development on Franklin Road. Transportation improvements to the I-75 and Franklin Road Corridor are expected to attract developer interest in reuse of property surrounding the proposed BRT Station.

Center City Perimeter (CCP TAD): The Center City Perimeter Tax Allocation District was established in 2005. The 244-acre TAD was established to support the redevelopment of Wynhaven Apartments on Powders Springs Street and the construction of a 40,000 sq ft Class-A office building near

¹A complete copy of the City's latest FY 2005 Comprehensive Annual Financial Report, included audited financial statements for the MRC and Marietta's TAD Special Funds, is available for inspection at the MRC's offices and/or the City of Marietta Finance Department.

Polk Street. The boundaries of the TAD incorporate underutilized commercial property located along the Allgood Road and Powder Springs Road corridors, as well as the neighborhood surrounding the Lyman Homes public housing project.

Table 1: Center City South Renaissance, Franklin Gateway and Center City Perimeter TAD Tax Parcel and Value Summary

TAD Summary	CCSR	Franklin/Gateway	CCP	TOTALS
2005 Parcel Count				
Taxable Real Property	890	122	265	1,277
Taxable Personal Property	164	57	58	279
Exempt	74	4	62	140
Total 2005 Parcels:	1,128	183	385	1696
Certified Parcels:	1,105	168	385	1658
Total Acreage:	485.8	324.4	243.6	1053.8
Tax Allocation Increment Base:	\$48,968,544	\$64,649,490	\$30,979,041	\$144,597,075
2005 Gross Digest:	\$56,554,385	\$65,577,179	\$30,979,041	\$153,100,605
Gross Real Property:	\$54,048,278	\$61,799,170	\$29,659,221	\$145,506,669
Gross Taxable Personal Property:	\$2,506,107	\$4,078,009	\$1,319,820	\$7,903,936
Assessed Value (After Exemptions):	\$56,456,504	\$65,032,716	\$30,979,041	\$152,468,261
FULL (MARKET) VALUE	\$141,141,260	\$162,581,790	\$77,447,603	\$381,170,653

Sources: Cobb County Board of Assessors, Marietta Finance Department and the Marietta Redevelopment Corporation

Redevelopment Costs

The past fiscal year has laid the groundwork for construction of several redevelopment projects that will begin producing property tax increment after construction commences. Because of time lag effects in assessing and collecting taxes on new development, the generation of significant amounts tax increment will not occur for another 18 months to two years. However, the City has already incurred substantial redevelopment expenses and used the first CCSR TAD Bond to partially recover these costs.

Table 2 provides a summary of planned uses of bond proceeds. Use of proceeds included reimbursement of the City's direct redevelopment expenses incurred to date, in the amount of \$3.84 million. This reimbursement recovered the City's site assembly costs associated with the Johnny Walker Homes and Manget Street Redevelopment projects. It should be noted that these costs only included out of pocket expenses incurred for land acquisition, disposition planning, consultant fees, legal, accounting and appraisal fees and related items. Reimbursed costs did not include staffing and other administrative expenses associated with supporting the ongoing operations of the MRC. These administrative costs are funded out of the City's general operating budget as a contribution to redevelopment. There are no plans at this time to seek reimbursement of already incurred personnel and other general operating expenses through the TAD special fund.

Table 2: Estimated Incurred Redevelopment Costs Through FY 2006 Center City Perimeter Tax Allocation District

Draw Date	Description	Deposits	Withdrawals	Running Balance
Completed				
12/13/2005	Bond Proceeds	\$ 8,400,000		\$ 8,400,000
12/14/2005	Transfer to Bond Reserve Fund		\$ 840,000	\$ 7,560,000
12/16/2005	Requisition #1 - reimburse City of Marietta		\$ 3,844,779	\$ 3,715,221
12/16/2005	Requisition #2 - BB&T for legal fees		\$ 42,000	\$ 3,673,221
12/30/2005	Interest earnings	\$ 7,207		\$ 3,680,428
1/6/2006	Requisition #3 - Deerfield draw #1: Village at Frasier Park		\$ 301,792	\$ 3,378,636
1/31/2006	Interrest earnings	\$ 10,925		\$ 3,389,561
2/28/2006	Interrest earnings	\$ 10,416		\$ 3,399,977
3/31/2006	Interrest earnings	\$ 11,663		\$ 3,411,640
4/25/2006	Requisition #4 - Church Street draw #1: Marietta Mill Lofts		\$ 240,000	\$ 3,171,640
4/28/2006	Interrest earnings	\$ 11,798		\$ 3,183,438
5/31/2006	Interrest earnings	\$ 11,992		\$ 3,195,430
Planned Activity				
	Encumbered funds: Neighborhood Improvement Plans		\$ 52,000	\$ 3,143,430
	Future Deerfield draws		\$ 358,208	\$ 2,785,222
	Future Church Street draws		\$ 160,000	\$ 2,625,222
12/15/2006	Debt Service Payment Due (Interest Only)		\$ 362,146	\$ 2,263,076
12/15/2007	Debt Service Payment Due (Interest Only)		\$ 351,960	\$ 1,911,116
Totals:		\$ 8,464,001	\$ 6,552,885	
Unencumbered Balance for Neighborhood Improvements: (as of 5/31/06)				\$ 1,911,116

Source: Marietta Finance Department

The City expects to incur modest direct administrative costs to issue the pending \$7.6 million Center City Perimeter TAD Bond. These costs include reimbursement of County/School Department application fees and direct bond-issuance costs. Similar escrow and reserve funds will be required as a condition of financing.

Tax Allocation Increments (Revenues)

The original CCSR TAD was certified in December of 2003 and later amended and recertified in December of 2004. Therefore, there has been two years of increment growth applied to the 2003 Certified Base to date. The Franklin/Gateway TAD was not certified until December of 2004 and has very limited associated increment at this time. There will be no increment growth associated with the Center City Perimeter TAD until FY2007.

In August of 2004 and 2005, the Cobb County Board of Assessors calculated the tax increment multipliers for all TADs within the County.² The percentage increase in assessed value of all property within the CCSR and Franklin/Gateway TADs is now \$8.5 million or 6% higher than the original certified base (40%) values of each district.

Table 3 summarizes total deposits into the various TAD Special Funds as of early June, 2006. As shown, the amount of tax allocation increment deposited into the CCSR TAD Special Fund totaled just over \$249,000, while the Franklin/Gateway Special Fund contains only \$1,000. Current detailed (unaudited) City financial statements showing the current balances in the TAD special funds are presented in Appendix 2. These revenues have been collected after completion of the last City Audit.

²Based on worksheets prepared by the Cobb County Board of Tax Assessors and date August 13, 2004, the tax allocation increment multiplier for the CCSR TAD was 0.3611%.

Table 3: Status of Marietta TAD Special Funds: YTD Actual Report Date: July 3, 2006

Revenue Source	CCSR TAD	Franklin/Gateway TAD	CCP TAD[1]
Real Property Taxes (City/School)[2]	\$ 129,814.19	\$ 940.20	\$ -
Personal Property Taxes (City/School)	\$ 6,403.27	\$ 60.15	\$ -
Penalties & Interest Taxes	\$ 365.09	\$ 0.87	\$ -
County Taxes[3]	\$ 33,025.48	\$ -	\$ -
Investment Income (TAD Bond)[4]	\$ 79,706.01	\$ -	\$ -
TOTALS:	\$ 249,314.04	\$ 1,001.22	\$ -

NOTES:

[1] Because the CCP TAD was certified in January of 2006, no increment has been generated.

[2] The Marietta BOE has not yet pledged school tax increment to the Franklin/Gateway TAD.

[3] Cobb County has not yet pledged increment to the Franklin/Gateway TAD.

[4] Includes YTD interest earnings on the unexpended balance of the CCSR TAD Bond.

Audited Financial Statements

The most recent available Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2005 was prepared by the City Finance Department in December of 2005³. That document contains an independent auditor's report, prepared by Moore & Cubbedge, LLP, which verifies the accuracy of the statements contained in the CAFR. The CAFR contains a separate audited financial statement for the Marietta Redevelopment Corporation. Copies of the MRC's Balance Sheet and Statement of Revenues and Expenditures are provided in Appendix 3.

Progress on Redevelopment Projects and Projected Future Tax Increments

This section forecasts the sources of future tax increment that will be dedicated to repaying any future TAD bonds to support redevelopment activities within the Districts. The CCSR TAD bond is currently supported by seven active and planned projects involving the demolition or rehabilitation of blighted or underutilized property. These projects will result in significant increases in taxable property value. When issued, the CCP TAD bond, will be supported by the redevelopment of Wynhaven apartments, the construction of Atlanta Northern Traction Co. Building and the Lyman Homes project.

The redevelopment strategy for the CCSR TAD has focused on publicly initiated property assemblies, which have later been offered to private developers for residential and mixed-use redevelopment. Three parcel assemblies known locally as the Manget Street, Johnny Walker Homes and Clay Homes redevelopment sites, total approximately 8.2 acres, 10.6 acres and 11.7 acres, respectively. These sites will be the future location of more than 700 housing units and 135,000 square feet of retail and office space. All three project sites were sold to metro area developers during FY2006 through disposition processes that included public meetings, preliminary plan approvals, negotiations of sales contracts and development agreements. These projects, which are now in various stages of engineering and site development, are discussed in detail later in this section of the report.

³ The FY2006 Comprehensive Annual Financial Report (CAFR) is scheduled to be released in December of 2006.

In addition to publicly initiated projects, private developers have received approvals and/or started construction on smaller infill development and residential rehabilitation projects totaling an additional 128 housing units and 40,000 square feet of retail and office space. The Village at Frasier Park, Marietta Mill Lofts, Emerson Overlook and Hunter Walk are examples of this type of smaller-scale redevelopment and are also described below. In total, the City's commitment to invest in the declining neighborhoods within the CCSR TAD has attracted roughly \$290 million in private investment.

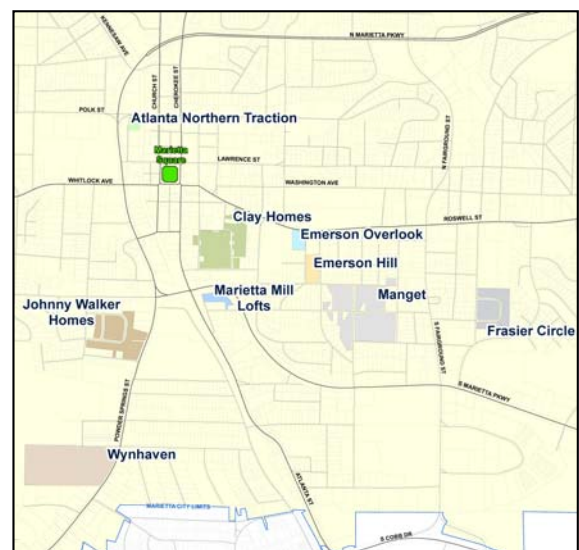
Additional projects on Hunt/Cole and Washington Streets have also been permitted over the past year. Although these projects are not physically located within tax allocation districts, they will have similar positive impacts on surrounding neighborhoods. It is also probable that these developments would not have been proposed without the City's commitment to redevelopment over the past four years..

The Center City Perimeter Redevelopment Plan proposes three major redevelopment objectives for that TAD. The first is to provide financial resources to the Wynhaven Redevelopment Project and to leverage the investment in Wynhaven by encouraging upgrades to nearby commercial properties located to the south of that apartment complex along Powder Springs Road. Secondly, the TAD will support development of the proposed Atlanta Northern Traction Co. office building located off Polk Street. Combined, these two projects are estimated to bring an additional \$86 million in private investment to the Perimeter TAD.

Finally, the boundaries of the District were extended into the Allgood Road neighborhood in an effort to provide needed financing resources to encourage redevelopment in that area. These projects are described later in this section. Improving the Allgood Road neighborhood has been an ongoing priority of neighborhood residents, City officials and staff for almost two years. This area's inclusion in the City Center Perimeter TAD will enable the City to use the same types of incentives and strategies that have been successful in starting redevelopment projects in the Manget Street and Frasier Circle neighborhoods.

With agreements among City, County and School officials in place, the City is now awaiting resolution of legal issues associated with the Wynhaven project. As noted previously, the City has already received a preliminary commitment to finance \$7.6 million in TAD bonds and will re-advertise for financing when/if legal issues are resolved. The Marietta Redevelopment Corporation will actively work to initiate other redevelopment projects within the new TAD during FY 2007.

The projects currently identified within each TAD are described more on the following pages.



Johnny Walker Homes: After a decision to seek a new redevelopment plan under a revised request for proposal, the City selected Myrick Company, LLC in June 2005 to redevelop the former Johnny Walker Homes public housing. The Myrick Company was one of four metro area developers who proposed various options for 10.68-acre site on Powder Springs Street. After several plan revisions Myrick received approval for their detailed site plan in spring 2006.



The project, which will be under construction in the Summer of 2006, includes approximately 50,000 square feet of retail and office space and 45 residential condominiums in two mixed-use buildings located along Powder Springs Street. In addition Myrick will develop lots for 58 townhomes and 18 single family detached homes on the remainder of the site. The total projected completion value of the project is \$43.6 million. Condominiums will average 1,200 SF and \$228,000 a unit. Single-family homes range from 2,300 to 3,000 SF starting in the low \$400,000's and townhomes range from 2,200 to 2,995 SF starting in the high \$200,000's



Clay Homes: Winter Properties, LLC was selected in September 2005 by the Marietta Housing Authority to redevelop the former Clay Homes public housing. Winter Properties' plans for the 11-acre site on Roswell Street include approximately 32,000 square feet of retail and 47,000 square feet of office space and 166 residential condominiums, 125 townhomes and 9 single-family detached units. Condominiums average 1,500 SF priced from \$170,000 to \$480,000. Townhomes average 2,500 SF priced from \$210,000

to \$700,000. On average a duplex is 2,400 SF priced from \$230,000 to \$300,000. The total completion value of the project is now estimated at \$114 million. Construction will begin in the Fall of 2006.

Manget at Historic Marietta: In 2005, the City completed disposition process of the Manget Street property. Hedgewood Development, LLC was selected in May 2005 and after negotiations, purchased the 8.08 acre site from the City and an additional 10.7 acres of adjacent privately owned property. Hedgewood has revised its initial 89-unit plan, originally valued at \$21.5 million, and now plans to construct 265 units on 17.9 acres. The latest version of the plan is valued at more than \$87.5 million.



Hedgewood has completed demolition of existing buildings and begun construction on Phase I. The product mix is expected to include 74 single family homes ranging from 1,850 to 2,500 SF and priced in the \$400,000's. As many as 113 townhomes, ranging from 1,500 to 2,400 SF, will be priced starting in the \$300,000's. The majority of Manget's 78 condos will be constructed during Phase II and will be priced in the \$200,000's.

Hunter Walk: JAKL Development, LLC has focused on building single-family infill housing in the Roswell/Fairground redevelopment area. JAKL is developing a ten-lot, single-family and townhome project called Hunter Walk. The name was chosen to recognize former Councilwoman Betty L. Hunter's contributions to the neighborhood's revitalization. This infill project will involve lots on Coryell Drive, located adjacent to the Emerson Hill and Emerson Overlook projects, as well as on Waterman Street.



JAKL has completed construction of two townhomes and two of nine craftsman-style single-family homes at Hunter Walk. Most units include garages and all units will feature hardwood floors, granite countertops and other high quality finishes and fixtures. JAKL plans to continue to maintain existing building foundations, preserve mature trees and focus on low-density development. Three-bedroom, 2.5 bath townhomes contain 1,650 SF and are priced at \$209,900. Single-family homes are priced from the mid \$300,000's to \$500,000. Completion value of the project is estimated at \$4.5 million.

The Village of Frasier Park: Deerfield Development, LLC is transforming 48 duplex units into a fee-simple townhome community called The Village at Frasier Park. This project involves the conversion of an established neighborhood of 24 existing, renter-occupied duplex buildings into 48 owner-occupied townhomes. The existing duplex shells are being gutted and expanded into 2 and 3-bedroom units. One and two-story units ranging from 1,000 to 2,200 SF are priced from the low \$200,000's. Construction is expected to be complete in 2007 and the total project value is estimated at roughly \$10 million.



Marietta Mill Lofts: Church Street Properties, LLC has nearly completed construction of 32 condominium lofts above 9,500 square feet of office space, located near the intersection of South Marietta Parkway and Atlanta Street. The site was the location of the former Victory Cab Company, which had been vacant for several years. Residential units range from 950 to 1,900 SF with prices starting from the high \$100,000's to the low \$300,000's. The project has an estimated completion value of nearly \$10.2 million.



Emerson Overlook: In January 2005 the City sold excess right-of-way acquired for streetscape improvements along Roswell Street, to Emerson Overlook, LLC. The buyer, who developed the adjacent Emerson Hill townhome project, plans to construct a mixed-use building containing 37 residential condominiums units plus 30,000 SF of retail and/or office space. Condominium units range from 1,100 to 4,000 SF and are priced from the mid \$200,000's. The estimated completion value of the project is now approaching \$22 million and construction will begin in 2006.



Wynhaven Redevelopment: Pending the resolution of legal issues and the City's ability to secure TAD financing, the Pacific Group plans to replace nearly 300 substandard multi-family rental units located on Powder Springs Street, with a development consisting of 235 for sale townhomes. The 18-acre project is expected to have a value of over \$77.5 million at completion, compared to a current value of only \$8.5 million for the existing Wynhaven apartment complex.

Atlanta Northern Traction Co. Building: Later in 2006, the Atlanta Northern Traction Co., LLC is planning to start construction on a Class-A office building near downtown Marietta, representing the first new Class-A space to be added to the downtown office market in many years. Pending completion of final plans, the building will range from 35,000 to 48,000 SF and will have an estimated completion value ranging from \$7.7 million to \$10.5 million.



The projects described above are expected to result in the construction of more than 820 for-sale housing units and 170,000 SF of new retail and office space within the CCSR TAD, plus an additional 235 units and 35,000 SF of commercial space within the Center City Perimeter TAD. Developers' estimates of the completion value of these projects have increased steadily over the past year. The MRC obtained updated estimates of build out value from each developer in March of 2006. That information is summarized in Table 3 and shows that the projects are currently projected to have a total market value of more than \$371 million when fully completed. This projected value is more than 15 times the taxable value of these same parcels prior to redevelopment.

Table 4: Calculation of Projected Tax Increment Center City South Renaissance and Center City Perimeter Tax Allocation Districts

Projects	Full Market Value		Total Increase [3]	Percent Increase
	Pre Redevelopment [1]	At Build Out [2]		
Center City South Renaissance TAD Projects				
Johnny Walker Homes	\$ 484,790	\$ 43,570,000	\$ 43,085,210	8887.4%
Clay Homes	\$ 244,250	\$ 114,351,900	\$ 114,107,650	46717.6%
Manget St. Redevelopment	\$ 6,180,773	\$ 87,575,000	\$ 81,394,227	1316.9%
Village at Frasier Park	\$ 4,362,480	\$ 9,619,200	\$ 5,256,720	120.5%
Emerson Overlook	\$ 839,130	\$ 18,075,000	\$ 17,235,870	2054.0%
Marietta Mill Lofts	\$ 519,790	\$ 10,160,000	\$ 9,640,210	1854.6%
Wellons Property/Reynolds St.	\$ 743,080	\$ 2,430,000	\$ 1,686,920	227.0%
Center City Perimeter TAD Projects				
Wynhaven	\$ 8,500,000	\$ 77,550,000	\$ 69,050,000	812.4%
Atlanta Northern	\$ 457,770	\$ 7,700,000	\$ 7,242,230	1582.1%
Total Change in Value	\$ 22,332,063	\$ 371,031,100	\$ 348,699,037	1561.4%
Annual General Fund Taxes at Current Millage[4]				
Annual City Taxes	\$ 24,905	\$ 372,396	\$ 347,492	1395.3%
Annual School Taxes	\$ 160,523	\$ 2,400,274	\$ 2,239,752	1395.3%
Annual County Taxes	\$ 57,170	\$ 854,856	\$ 797,686	1395.3%
Total Tax Revenue[5]	\$ 242,598	\$ 3,627,527	\$ 3,384,929	1395.3%

NOTES:

- [1] Assessed value of existing tax parcels at the time the TADs were certified.
- [2] Projected assessed value based on redevelopment proposals, updated to March, 2006
- [3] Assessment increases exclude potential value growth from other redevelopment within the TADs.
- [4] Includes only general fund portion of the millage rate.
- [5] Tax revenues will be reduced by debt service on TAD bonds.

At current City, School and County millage rates, these developments will generate an annual tax increment of nearly \$3.4 million when fully built out at the end of an estimated 5 to 7 year construction and marketing period.⁴ At this time, projected combined annual debt service payments on the two TAD bonds are not expected to exceed a maximum of \$1.5 million in any year. Therefore, once sufficient reserves are retained by the respective TAD Special funds, it may be possible to return as much as \$1.9 million in property taxes per year to the taxing jurisdictions while the TAD bonds are being paid off and more than \$3.4 million annually in new revenues after debt service is retired.

These new revenues will be generated from property, which prior to redevelopment, produced less than \$250,000 per year in real property taxes. More importantly, these redevelopment projects will transform sites that formerly caused surrounding neighborhoods to depreciate, and were a fiscal drain on the City and School District, into catalysts for neighborhood revitalization.

The revenue projections of annual tax increment contained in Table 4 are based solely on the current estimated value of the identified redevelopment projects, using current millage rates. Additional base value growth within the TADs can also be expected to occur over time. Future revenue growth

⁴ Revenue estimates are based on real property taxes only. Projections include a 10% allowance for revenue losses associated with resident homestead and senior exemptions. No effort was made to forecast potential incremental gains in personal property tax revenues. Revenue impacts also exclude the potential for reductions in State QBE aid to the Marietta Public Schools as a result of increased property values within the City limits.

can result from the general appreciation of existing developed property, from future investments in the rehabilitation and expansion of existing low-valued housing or from future increases in millage rates. Evidence of this “halo effect” is already beginning to emerge in the form of an increase in private acquisitions of rental properties in neighborhoods immediately surrounding these project locations.

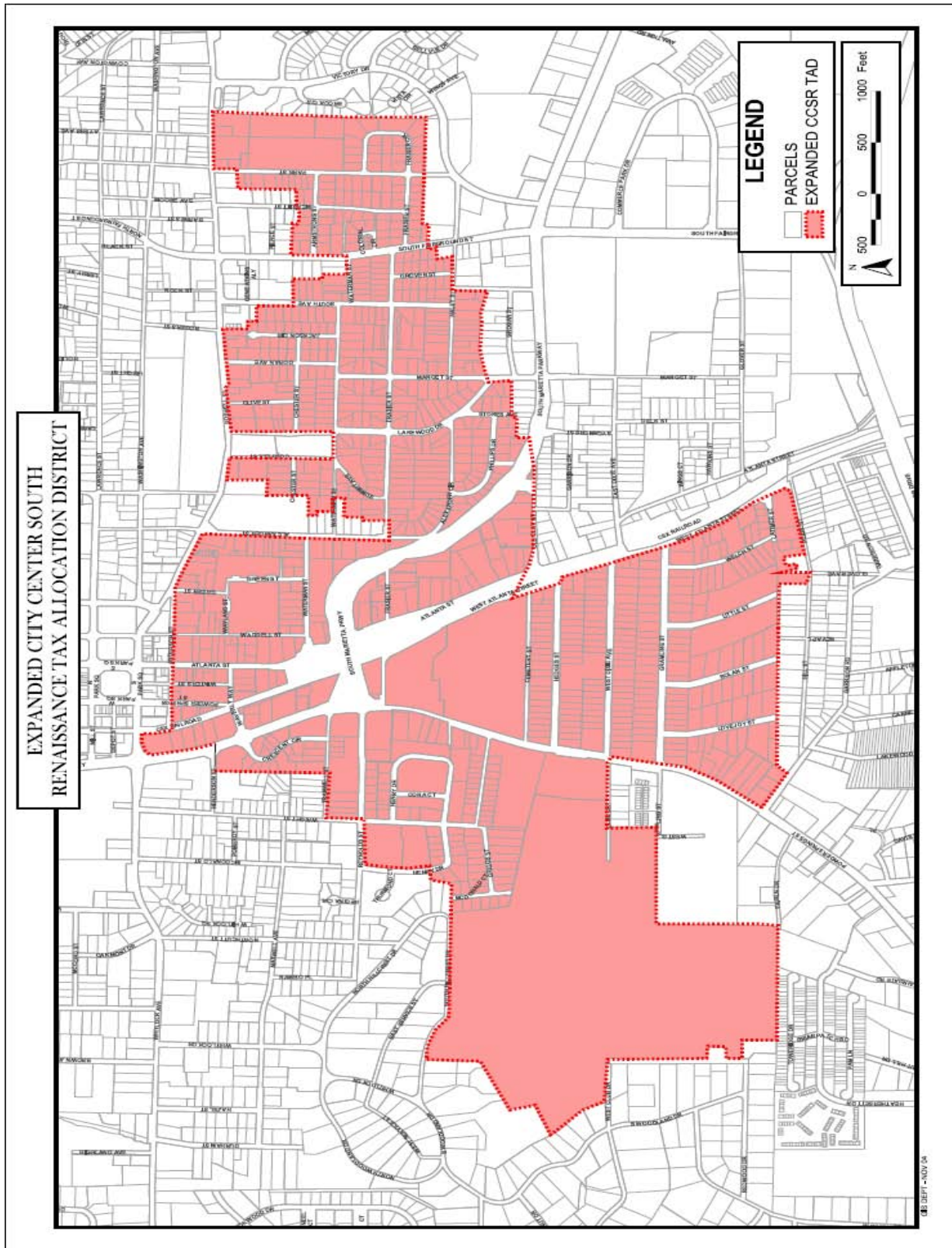
Prospects for revenue growth to occur from general property appreciation and neighborhood reinvestment would certainly have been minimal without the creation of the respective TADs and implementation of the redevelopment plans. It is in fact very possible that these redevelopment areas could have depreciated in value in the future had it not been for the public actions taken to stimulate redevelopment.

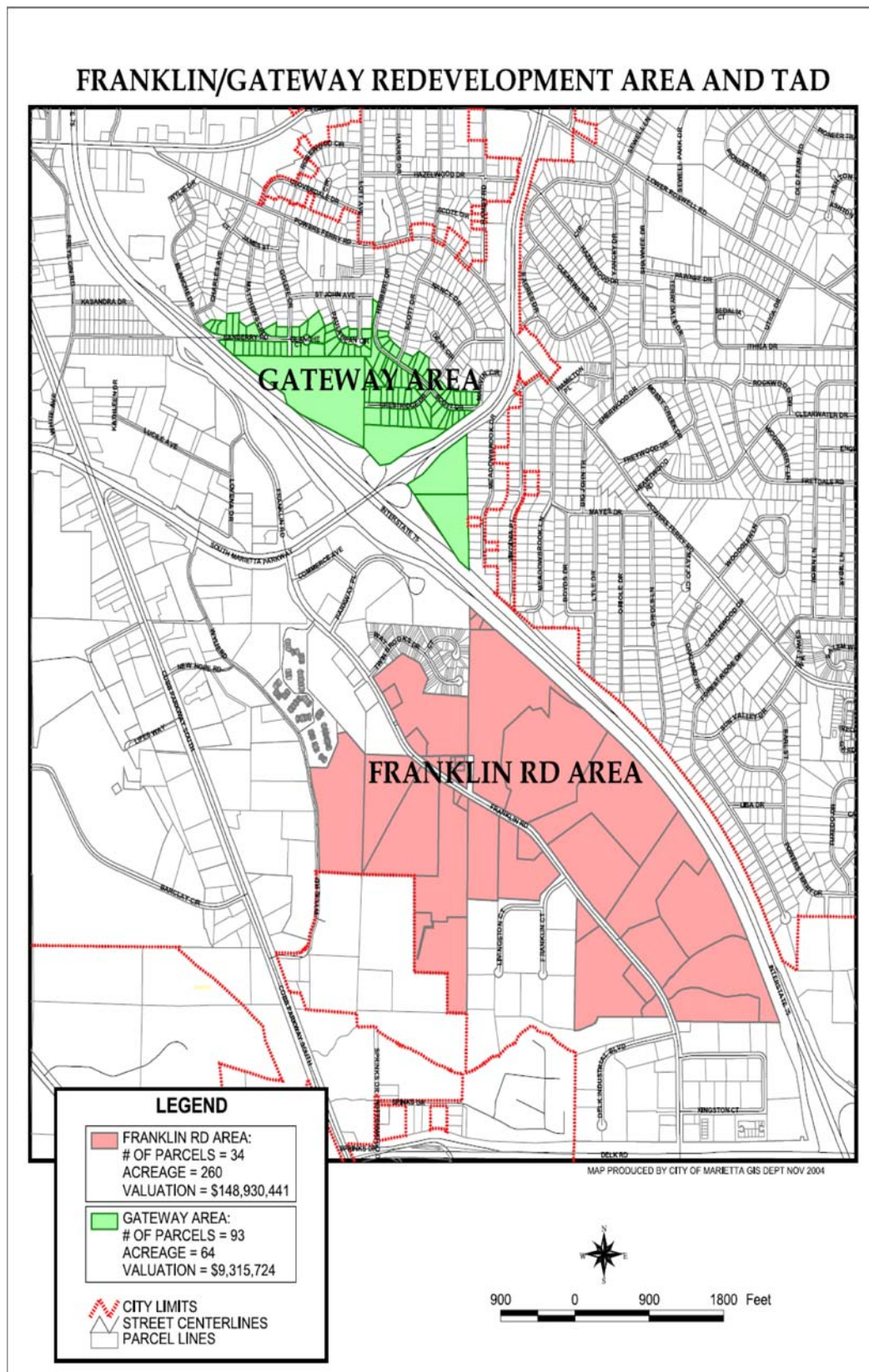
It should also be noted that projections of future tax increment are based on redevelopment projects that have already been identified and are well advanced in terms of overall planning or permitting. Additional developments are in early phases of discussion and others could emerge over the next few years. Although additional public investments will probably be required to support new projects, it is also probable that future contributions into the TAD special funds will greatly exceed public costs over the long run, much like the projects identified in Table 3. The return of special fund proceeds (in excess of debt service on future TAD bond issues) to the taxing jurisdictions is also likely to exceed any future growth in property tax revenues that could have otherwise been generated without the creation of the TADs, or the required public sector commitment to encourage redevelopment.

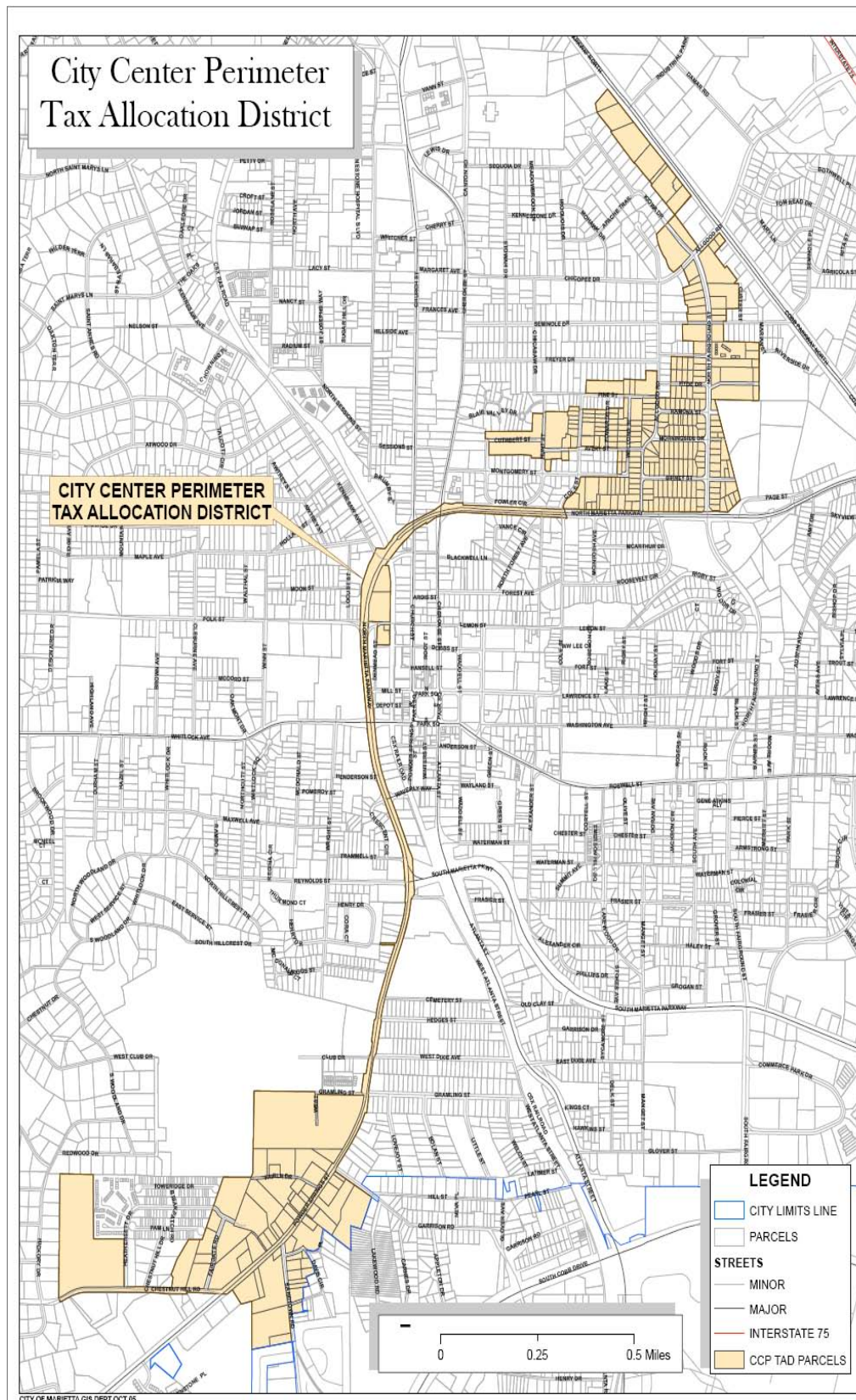
Therefore, the pledge of City, County and School tax allocation increments by the respective taxing jurisdictions should not be viewed as a “cost” to taxpayers, but as an investment that will ultimately reduce public service costs and return far more in revenues than would have been possible otherwise. The MRC appreciates the support that elected and appointed officials of the respective taxing jurisdictions have given to Marietta’s ongoing redevelopment efforts. We encourage these officials to continue to support investment in redevelopment, in order to achieve the fiscal benefits that are now within reach.

Appendix 1

TAD Boundary Maps







Appendix 2

TAD Special Fund

Financial Statements

PREPARED 07/03/2006, 15:59:12		2006 BALANCE SHEET	PAGE 1
PROGRAM GM263L			ACCOUNTING PERIOD 12/2006
CITY OF MARIETTA			Suppression = N

202 CITY TAD A & B			
		DEBITS	CREDITS

ASSETS			
101.00-00 CASH / CASH IN BANK	3,168,622.54		
103.00-00 CASH / CASH WITH FISCAL AGENT	855,704.85		
104.00-00 CASH / EQUITY IN POOLED CASH	165,326.02		
122.01-00 TAXES RECEIVABLES / TAXES REC./CURRENT	3,323.35		
122.01-89 TAXES REC./CURRENT / ALLOWANCE FOR BAD DEBT	.00		
122.02-00 TAXES RECEIVABLES / TAXES REC./DELINQUENT	.00		
122.02-89 TAXES REC./DELINQUENT / ALLOWANCE FOR BAD DEBT	.00		
122.05-00 TAXES RECEIVABLES / STATE	.00		
TOTAL ASSETS			4,192,976.76
LIABILITIES			
211.00-00 LIABILITES-PAYABLES / VOUCHERS PAYABLE		.00	
212.00-00 LIABILITES-PAYABLES / ACCOUNTS PAYABLE		.00	
212.02-20 ACCOUNTS PAYABLE-MISC. / TAX REFUNDS DUE		.00	
242.01-00 EXPENDITURES / DEFERRED REVENUE CURRENT		.00	
242.02-00 EXPENDITURES / DEFERRED REVENUE PRIOR YR		.00	
244.01-00 DEFERRED REVENUE / CURRENT		3,323.35	
244.02-00 DEFERRED REVENUE / PRIOR YEAR		.00	
TOTAL LIABILITIES		3,323.35	
FUND EQUITY			
301.00-00 PROJECT / RESERVE FOR ENCUMBRANCES		20,445.49	
302.00-00 PROJECT / PRIOR YEAR ENCUMBRANCE		.00	
331.00-00 FUND BALANCE-UNRESERVED / DESIGNATED		.00	
FUND BALANCE		4,169,207.92	
TOTAL FUND EQUITY		4,189,653.41	
TOTAL LIABILITIES AND FUND EQUITY			4,192,976.76

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CITY OF MARIETTA

DETAIL BUDGET REPORT
100% OF YEAR LAPSED

PAGE 2
ACCOUNTING PERIOD 12/2006

FUND 202 CITY TAD A & B			DEPT/DIV 1409 FINANCE/DEBT SERVICE						ENCUMBR.	ANNUAL BUDGET	UNENCUMB. BALANCE	% BDGT
BA	ELE	OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL				
SUB	SUB		DESCRIPTION									
510			GENERAL GOVERNMENT									
519			NON-DEPARTMENTAL									
81			DEBT SERVICE									
81 11			BOND PRINCIPAL	0	.00	0	0	.00	0	.00	0	0
81 12			BOND INTEREST	0	.00	0	0	.00	0	.00	0	0
81 **			DEBT SERVICE	0	.00	0	0	.00	0	.00	0	0
519 **			NON-DEPARTMENTAL	0	.00	0	0	.00	0	.00	0	0
510 **			GENERAL GOVERNMENT	0	.00	0	0	.00	0	.00	0	0
DIV	1409		TOTAL *****	0	.00	0	0	.00	0	.00	0	0
DEPT	14		TOTAL *****	0	.00	0	0	.00	0	.00	0	0
			FINANCE	0	.00	0	0	.00	0	.00	0	0

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PROGRAM: GM267L
CITY OF MARIETTA

DETAIL BUDGET REPORT
100% OF YEAR LAPSED

PAGE 3
ACCOUNTING PERIOD 12/2006

FUND 202 CITY TAD A & B			DEPT/DIV 1802 DEVELOPMENT SERVICES/MRC - MARIETTA REDEV CORP						ENCUMBR.	ANNUAL BUDGET	UNENCUMB. BALANCE	% BDGT
BA	ELE	OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL				
SUB	SUB		DESCRIPTION									
510			GENERAL GOVERNMENT									
518			PLANNING									
70			STREETS & INFRASTRUCTURE									
70 90			STREET/SIDEWK/INFRA REPLA	216985	5731.98	3	1735894	31554.51	2	20445.49	1735894	1683894.00 3
70 **			STREETS & INFRASTRUCTURE	216985	5731.98	3	1735894	31554.51	2	20445.49	1735894	1683894.00 3
81			DEBT SERVICE									
81 41			BOND ISSUANCE EXPENSES	11250	985.02	9	90000	119830.02	133	.00	90000	29830.02- 133
81 **			DEBT SERVICE	11250	985.02	9	90000	119830.02	133	.00	90000	29830.02- 133
99			MISCELLANEOUS									
99 20			PROJECT ASSISTANCE	132500	.00	0	1060000	541792.00	51	.00	1060000	518208.00 51
99 **			MISCELLANEOUS	132500	.00	0	1060000	541792.00	51	.00	1060000	518208.00 51
518 **			PLANNING	360735	6717.00	2	2885894	693176.53	24	20445.49	2885894	2172271.98 25
510 **			GENERAL GOVERNMENT	360735	6717.00	2	2885894	693176.53	24	20445.49	2885894	2172271.98 25
DIV	1802		TOTAL *****	360735	6717.00	2	2885894	693176.53	24	20445.49	2885894	2172271.98 25
DEPT	18		TOTAL *****	360735	6717.00	2	2885894	693176.53	24	20445.49	2885894	2172271.98 25
			DEVELOPMENT SERVICES	360735	6717.00	2	2885894	693176.53	24	20445.49	2885894	2172271.98 25

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PROGRAM: GM267L
CITY OF MARIETTA

DETAIL BUDGET REPORT
100% OF YEAR LAPSED

PAGE 4
ACCOUNTING PERIOD 12/2006

FUND 202 CITY TAD A & B			DEPT/DIV 1901 NON-DEPARTMENTAL/UNALLOCATED COSTS						ENCUMBR.	ANNUAL BUDGET	UNENCUMB. BALANCE	% BDGT
BA	ELE	OBJ	ACCOUNT	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL				
SUB	SUB		DESCRIPTION									
510			GENERAL GOVERNMENT									
519			NON-DEPARTMENTAL									
91			OPERATING TRANSFER OUT									
91 01			TRANSFER TO GENERAL FUND	500000	.00	0	4000000	3767935.07	94	.00	4000000	232064.93 94
91 **			OPERATING TRANSFER OUT	500000	.00	0	4000000	3767935.07	94	.00	4000000	232064.93 94
97			CONTINGENCY									
97 97			RESERVE INCREASE	189689	.00	0	1519106	.00	0	.00	1519106	1519106.00 0
97 **			CONTINGENCY	189689	.00	0	1519106	.00	0	.00	1519106	1519106.00 0
519 **			NON-DEPARTMENTAL	689689	.00	0	5519106	3767935.07	68	.00	5519106	1751170.93 68
510 **			GENERAL GOVERNMENT	689689	.00	0	5519106	3767935.07	68	.00	5519106	1751170.93 68
DIV	1901		TOTAL *****	689689	.00	0	5519106	3767935.07	68	.00	5519106	1751170.93 68
			UNALLOCATED COSTS	689689	.00	0	5519106	3767935.07	68	.00	5519106	1751170.93 68
DEPT	19		TOTAL *****	689689	.00	0	5519106	3767935.07	68	.00	5519106	1751170.93 68
			NON-DEPARTMENTAL	689689	.00	0	5519106	3767935.07	68	.00	5519106	1751170.93 68
FUND 202			TOTAL *****	1050424	6717.00	1	8405000	4461111.60	53	20445.49	8405000	3923442.91 53
			CITY TAD A & B	1050424	6717.00	1	8405000	4461111.60	53	20445.49	8405000	3923442.91 53

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PROGRAM: GM259L

CITY OF MARIETTA
REVENUE REPORT
100% OF YEAR LAPSED

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CITY OF MARIETTA

FUND 202	CITY TAD A & B	ACCOUNT	***** ESTIMATED	CURRENT ACTUAL	***** %REV	***** ESTIMATED	YEAR-TO-DATE ACTUAL	***** %REV	ANNUAL ESTIMATE	UNREALIZED BALANCE
400		TAXES								
401		GENERAL PROPERTY TAXES								
	10 01	GENERAL REAL PROPERTY	350	.00		4,200	129,814.19	3091	4,200	125,614.19-
	10 02	PUBLIC UTILITY	0	.00		0	.00		0	.00
	10 90	PRIOR YEAR REAL PROPERTY	0	.00		0	.00		0	.00
	10 91	UNCOLLECTIBLE	0	.00		0	.00		0	.00
	10 98	BOOK ADJ PRIOR YEAR	0	.00		0	.00		0	.00
	10 99	BOOK ADJ CURRENT YEAR	0	.00		0	.00		0	.00
	10 *	REAL PROPERTY	350	.00		4,200	129,814.19	3091	4,200	125,614.19-
	20 01	GENERAL PERSONAL PROPERTY	74	.31		800	6,403.27	800	800	5,603.27-
	20 02	MOTOR VEHICLES	0	.00		0	.00		0	.00
	20 03	MOBILE HOMES	0	.00		0	.00		0	.00
	20 04	RAILROAD EQUIPMENT	0	.00		0	.00		0	.00
	20 90	PRIOR YEAR PERSONAL PROP.	0	.00		0	.00		0	.00
	20 91	UNCOLLECTIBLE	0	.00		0	.00		0	.00
	20 *	PERSONAL PROPERTY	74	.31		800	6,403.27	800	800	5,603.27-
401	**	GENERAL PROPERTY TAXES	424	.31		5,000	136,217.46	2724	5,000	131,217.46-
409		PENALTIES/INTEREST TAXES								
	10 11	REAL PROPERTY	0	.00		0	28.66		0	28.66-
	10 12	PERSONAL PROPERTY	0	.03		0	.03		0	.03-
	10 *	PENALTY	0	.03		0	28.69		0	28.69-
	20 11	REAL PROPERTY	0	.00		0	303.74		0	303.74-
	20 12	PERSONAL PROPERTY	0	.02		0	32.66		0	32.66-
	20 *	INTEREST	0	.02		0	336.40		0	336.40-
409	**	PENALTIES/INTEREST TAXES	0	.05		0	365.09		0	365.09-
400	***	TAXES	424	.36		5,000	136,582.55	2732	5,000	131,582.55-
420		INTERGOVERNMENTAL REVENUE								
422		TAD A & B COLLECTIONS								
	70 01	COBB COUNTY	0	.00		0	33,025.48		0	33,025.48-
422	**	TAD A & B COLLECTIONS	0	.00		0	33,025.48		0	33,025.48-
420	***	INTERGOVERNMENTAL REVENUE	0	.00		0	33,025.48		0	33,025.48-
450		OTHER REVENUES								
451		INVESTMENT EARNINGS								
	10 00	INTEREST INCOME	0	15,203.85		0	79,706.01		0	79,706.01-

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CITY OF MARIETTA
REVENUE REPORT
100% OF YEAR LAPSED

PAGE 2
ACCOUNTING PERIOD 12/2006

CITY OF MARIETTA

FUND 202	CITY TAD A & B	ACCOUNT	***** ESTIMATED	CURRENT ACTUAL	***** %REV	***** ESTIMATED	YEAR-TO-DATE ACTUAL	***** %REV	ANNUAL ESTIMATE	UNREALIZED BALANCE
450		OTHER REVENUES								
451		INVESTMENT EARNINGS								
451	**	INVESTMENT EARNINGS	0	15,203.85		0	79,706.01		0	79,706.01-
453		MISCELLANEOUS								
	95 95	BOND PROCEEDS	1,050,000	.00		8,400,000	8,400,000.00	100	8,400,000	.00
	97 97	USE OF RESERVE	0	.00		0	.00		0	.00
453	**	MISCELLANEOUS	1,050,000	.00		8,400,000	8,400,000.00	100	8,400,000	.00
450	***	OTHER REVENUES	1,050,000	15,203.85	1	8,400,000	8,479,706.01	101	8,400,000	79,706.01-
		FUND TOTAL CITY TAD A & B	1,050,424	15,204.21	1	8,405,000	8,649,314.04	103	8,405,000	244,314.04-

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PROGRAM GM263L
CITY OF MARIETTA

2006 BALANCE SHEET

PAGE 1
ACCOUNTING PERIOD 12/2006
Suppression = N

203 CITY TAD C

		DEBITS	CREDITS
ASSETS			
101.00-00	CASH / CASH IN BANK	.00	
104.00-00	CASH / EQUITY IN POOLED CASH	1,001.22	
122.01-00	TAXES RECEIVABLES / TAXES REC./CURRENT	.73	
122.01-89	TAXES REC./CURRENT / ALLOWANCE FOR BAD DEBT	.00	
122.02-00	TAXES RECEIVABLES / TAXES REC./DELINQUENT	.00	
122.02-89	TAXES REC./DELINQUENT / ALLOWANCE FOR BAD DEBT	.00	
122.05-00	TAXES RECEIVABLES / STATE	.00	
TOTAL ASSETS			1,001.95
LIABILITIES			
211.00-00	LIABILITIES-PAYABLES / VOUCHERS PAYABLE		.00
212.00-00	LIABILITIES-PAYABLES / ACCOUNTS PAYABLE		.00
212.02-20	ACCOUNTS PAYABLE-MISC. / TAX REFUNDS DUE		.00
242.01-00	EXPENDITURES / DEFERRED REVENUE CURRENT		.00
242.02-00	EXPENDITURES / DEFERRED REVENUE PRIOR YR		.00
244.01-00	DEFERRED REVENUE / CURRENT		.73
244.02-00	DEFERRED REVENUE / PRIOR YEAR		.00
TOTAL LIABILITIES			.73
FUND EQUITY			
301.00-00	PROJECT / RESERVE FOR ENCUMBRANCES		.00
302.00-00	PROJECT / PRIOR YEAR ENCUMBRANCE		.00
331.00-00	FUND BALANCE-UNRESERVED / DESIGNATED		.00
FUND BALANCE			1,001.22
TOTAL FUND EQUITY			1,001.22
TOTAL LIABILITIES AND FUND EQUITY			1,001.95

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PROGRAM: GM259L

CITY OF MARIETTA
REVENUE REPORT
100% OF YEAR LAPSED

PAGE 1
ACCOUNTING PERIOD 12/2006

CITY OF MARIETTA

FUND 203 CITY TAD C

ACCOUNT	ACCOUNT DESCRIPTION	***** ESTIMATED	CURRENT ACTUAL	***** %REV	***** YEAR-TO-DATE ESTIMATED	***** YEAR-TO-DATE ACTUAL	***** %REV	ANNUAL ESTIMATE	UNREALIZED BALANCE
400	TAXES								
401	GENERAL PROPERTY TAXES								
10 01	GENERAL REAL PROPERTY	0	.24		0	940.20		0	940.20-
10 02	PUBLIC UTILITY	0	.00		0	.00		0	.00
10 90	PRIOR YEAR REAL PROPERTY	0	.00		0	.00		0	.00
10 91	UNCOLLECTIBLE	0	.00		0	.00		0	.00
10 98	BOOK ADJ PRIOR YEAR	0	.00		0	.00		0	.00
10 99	BOOK ADJ CURRENT YEAR	0	.00		0	.00		0	.00
10 *	REAL PROPERTY	0	.24		0	940.20		0	940.20-
20 01	GENERAL PERSONAL PROPERTY	0	.00		0	60.15		0	60.15-
20 02	MOTOR VEHICLES	0	.00		0	.00		0	.00
20 03	MOBILE HOMES	0	.00		0	.00		0	.00
20 04	RAILROAD EQUIPMENT	0	.00		0	.00		0	.00
20 90	PRIOR YEAR PERSONAL PROP.	0	.00		0	.00		0	.00
20 91	UNCOLLECTIBLE	0	.00		0	.00		0	.00
20 *	PERSONAL PROPERTY	0	.00		0	60.15		0	60.15-
401 **	GENERAL PROPERTY TAXES	0	.24		0	1,000.35		0	1,000.35-
409	PENALTIES/INTEREST TAXES								
10 11	REAL PROPERTY	0	.06		0	.12		0	.12-
10 12	PERSONAL PROPERTY	0	.00		0	.21		0	.21-
10 *	PENALTY	0	.06		0	.33		0	.33-
20 11	REAL PROPERTY	0	.02		0	.47		0	.47-
20 12	PERSONAL PROPERTY	0	.00		0	.07		0	.07-
20 *	INTEREST	0	.02		0	.54		0	.54-
409 **	PENALTIES/INTEREST TAXES	0	.08		0	.87		0	.87-
400 ***	TAXES	0	.32		0	1,001.22		0	1,001.22-
450	OTHER REVENUES								
453	MISCELLANEOUS								
97 97	USE OF RESERVE	0	.00		0	.00		0	.00
453 **	MISCELLANEOUS	0	.00		0	.00		0	.00
450 ***	OTHER REVENUES	0	.00		0	.00		0	.00
FUND TOTAL CITY TAD C		0	.32		0	1,001.22		0	1,001.22-

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PROGRAM: GM267L			100% OF YEAR LAPSED						ACCOUNTING PERIOD 12/2006			
CITY OF MARIETTA												
-----			-----									
FUND 203 CITY TAD C			DEPT/DIV 1901 NON-DEPARTMENTAL/UNALLOCATED COSTS									
BA ELE OBJ ACCOUNT			*****CURRENT*****			*****YEAR-TO-DATE*****						
SUB	SUB	DESCRIPTION	BUDGET	ACTUAL	%EXP	BUDGET	ACTUAL	%EXP	ENCUMBR.	ANNUAL BUDGET	UNENCUMB. BALANCE	% BDGT

510		GENERAL GOVERNMENT										
519		NON-DEPARTMENTAL										
	97	CONTINGENCY										
	97 97	RESERVE INCREASE	0	.00	0	0	.00	0	.00	0	.00	0
	97 **	CONTINGENCY	0	.00	0	0	.00	0	.00	0	.00	0
519	** **	NON-DEPARTMENTAL	0	.00	0	0	.00	0	.00	0	.00	0
510	** **	GENERAL GOVERNMENT	0	.00	0	0	.00	0	.00	0	.00	0
DIV	1901	TOTAL *****										
		UNALLOCATED COSTS	0	.00	0	0	.00	0	.00	0	.00	0
DEPT	19	TOTAL *****										
		NON-DEPARTMENTAL	0	.00	0	0	.00	0	.00	0	.00	0
FUND	203	TOTAL *****										
		CITY TAD C	0	.00	0	0	.00	0	.00	0	.00	0

Appendix 3

Marietta Redevelopment Corporation Balance Sheet and Revenue Statement

CITY OF MARIETTA, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Marietta Welcome Center	Marietta Redevelopment Corporation
Assets:					
Cash and cash equivalents	\$ 5,571,372	\$ 11,640,075	\$ 17,211,447	\$ 10,461	\$ 32,686
Equity in pooled cash	1,753,661	2,602,382	4,356,043	-	-
Investments	11,504,910	14,893,408	26,398,318	-	-
Inventories	46,904	2,442,299	2,489,203	-	-
Receivables, net	12,197,100	13,031,267	25,228,367	-	-
Internal balances	(1,803,015)	1,803,015	-	-	-
Internal balances - fiduciary funds	255,602	519,426	775,028	-	-
Due from primary government	-	-	-	66,333	-
Due from component unit	8,000	-	8,000	-	-
Prepaid items	45,664	119,789	165,453	-	-
Restricted assets	545,803	5,944,513	6,490,316	-	-
Other assets, net	1,522,080	5,014,901	6,536,981	-	-
Capital assets, non depreciated	7,259,264	11,385,943	18,645,207	-	-
Capital assets, depreciated, net	51,273,952	87,547,279	138,821,231	17,806	-
Total assets	90,181,297	156,944,297	247,125,594	94,600	32,686
Liabilities:					
Accounts payable and other current liabilities	4,466,090	9,914,811	14,380,901	58,166	-
Customer deposits	-	260,161	260,161	-	-
Due to primary government	-	-	-	-	8,000
Due to component unit	66,333	-	66,333	-	-
Liabilities payable from:				-	-
Restricted assets	-	4,966,556	4,966,556	-	-
Noncurrent liabilities:				-	-
Due within one year	6,171,846	1,834,691	8,006,537	-	-
Due in more than one year	61,984,609	32,169,473	94,154,082	-	-
Total liabilities	72,688,878	49,145,692	121,834,570	58,166	8,000
Net Assets					
Invested in capital assets, net of related debt	52,779,866	70,746,945	123,526,811	-	-
Restricted for:					
Debt service	1,898,178	872,630	2,770,808	-	-
Housing and redevelopment	-	-	-	-	-
Culture and recreation	1,825,367	-	1,825,367	-	-
Other purposes	-	105,327	105,327	-	-
Unrestricted	(39,010,992)	36,073,703	(2,937,289)	36,434	24,686
Total net assets	\$ 17,492,419	\$ 107,798,605	\$ 125,291,024	\$ 36,434	\$ 24,686

CITY OF MARIETTA, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

Functions/Programs	Net (Expense) Revenue and Change in Net Assets									
	Program Revenue			Primary Government			Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Marietta Welcome Center	Marietta Redevelopment Corporation		
Primary Government										
Governmental activities:										
General government	\$ 4,894,998	\$ 9,354,010	\$ 1,801,180	\$ 6,351,032	\$ -	\$ 6,351,032	\$ -	\$ -		
Public works	9,130,758	3,275,190	85,051	(2,480,026)	-	(2,480,026)	-	-		
Culture and recreation	4,859,976	258,192	120,459	(4,481,325)	-	(4,481,325)	-	-		
Public safety	22,871,162	96,975	874,582	(21,415,014)	-	(21,415,014)	-	-		
Urban redevelopment and housing	7,301,650	1,090,320	7,624,882	1,670,893	-	1,670,893	-	-		
Interest & fiscal charges on long-term debt	3,109,268	-	-	(3,109,268)	-	(3,109,268)	-	-		
Total governmental activities	52,167,812	14,074,687	8,795,814	(23,463,708)	-	(23,463,708)	-	-		
Business-type activities:										
Water & Sewer	21,073,686	25,090,551	-	-	4,099,045	4,099,045	-	-		
Electric	74,257,492	86,896,085	-	-	12,638,593	12,638,593	-	-		
Golf	2,066,878	1,799,114	-	-	(267,764)	(267,764)	-	-		
Fiber optic	1,460,454	1,135,129	-	-	(325,325)	(325,325)	-	-		
Conference Center	11,317,032	9,343,330	-	627,096	(1,346,606)	(1,346,606)	-	-		
Total business-type activities	110,175,542	124,264,209	-	709,276	14,797,943	14,797,943	-	-		
Total Primary Government	\$ 162,343,354	\$ 138,338,896	\$ 8,795,814	\$ 6,542,879	\$ (23,463,708)	\$ (8,665,765)	\$ -	\$ -		
Component Units:										
Marietta Welcome Center	899,390	85,516	-	-	-	-	1,126	-		
Marietta Redevelopment Corporation	8,000	-	-	-	-	-	-	(8,000)		
Total Component Units	\$ 907,390	\$ 85,516	\$ 815,000	\$ -	\$ -	\$ -	\$ 1,126	\$ (8,000)		
General Revenues:										
Property Taxes				10,559,446	-	10,559,446	-	-		
Insurance premium tax				2,734,817	-	2,734,817	-	-		
Alcohol taxes				842,738	-	842,738	-	-		
Hotel, motel tax				2,067,734	-	2,067,734	-	-		
Franchise taxes				5,069,809	-	5,069,809	-	-		
Auto rental tax				579,170	-	579,170	-	-		
Unrestricted investment earnings				436,137	756,524	1,192,661	-	199		
Gain (loss) on sale of capital assets				47,179	(15,842,246)	(15,795,067)	-	-		
Transfers				8,234,913	(8,230,411)	4,502	-	-		
Total general revenues and transfers				30,571,943	(23,316,133)	7,255,810	-	199		
Change in net assets				7,108,235	(6,518,190)	(1,409,955)	1,126	(7,801)		
Net assets - beginning				10,384,184	116,316,795	126,700,979	35,308	32,487		
Net assets - ending				\$ 17,492,419	\$ 107,798,605	\$ 125,291,024	\$ 36,434	\$ 24,686		

See accompanying notes to financial statements.



**Marietta Redevelopment Corporation
Fiscal Year 2006 Annual Report**

City of Marietta
205 Lawrence Street
P.O. Box 609
Marietta, Georgia 30060